

Gambling Control Board Meeting Minutes

**December 19, 2017
Oxford Municipal Office
Oxford, Maine
9:00 a.m.**

Meeting started at 9:00 a.m.

Board Members Present: Chair Timothy Doyle, Alfred Skolfield, Barbara Dresser, Robert Harmon and Greg McNeal

Attorney General's Office Present: A.A.G. Ron Guay

Gambling Control Staff Present: Executive Director Milton Champion, Supv. Vicki Gardner, Det. Don Armstrong, Auditor Lenny Yaskoweak, Office Manager Kathy Robitaille and Licensing Manager Mallory Reilly

Chairman Doyle advised that there would be a tour of the new hotel at Oxford Casino following the meeting and that everyone was invited to go on the tour.

Review of the 11/21/17 Minutes

Motion to accept: Robert Harmon

Seconded: Greg McNeal

Chairman Doyle advised of one change in the wording on Pg 2 at the bottom. Changes will be made.

Unanimous vote with changes

Executive Director's Report – Milton Champion

- 1) Operations – In November there were (27) Shipments of machines and/or associated equipment shipped to or from licensed facilities. On site inspectors completed (665) observations, (31) checklists. (5) dispositions of formal reports were sent to Board members for their review per statute. There were (15) self-exclusions.
- 2) Gambling Control's Auditor Mr. Berrie resigned last week and as a result it has prompted Dir. Champion to look for a second time as to what is being reported to the Board and the auditing process. Mr. Yaskoweak and he has started that review and hope the Board will find the information forwarded for this meeting pertinent; to assist in making decisions going forward in regards to games of play and new technologies. This information is more the nuts and bolts of casino operations and there will be more to follow. Dir. Champion thanked them for their patience in this regard. New Year, new information...
- 3) Presentations of the licensed business entity Scientific Games regarding their acquisition of Tech Art; and NRT technologies acquisition of Sightline Payments/Interactive LLC; are in the process of being scheduled for next month's meeting. Yesterday Dir. Champion forwarded the tentative acquisition of Penn National Gaming and Pinnacle Entertainment that will be presented at a later date.

Auditor's Report – Milton Champion

For the month of November 2017, a 12% increase in total tax revenue has been identified, both facilities, slots and table games for the month of November 2017 versus 2016. Year to date there has been a 2% increase in 2017 versus 2016.

- a. Oxford reported a 23.6% win for the month of November from table games and 8.3% win from slots. Oxford's payback percentage for November was 91.7%. Average gross win per machine of \$239.
- b. Hollywood reported a 27.3% average win for the month of November from table games and 10.2% win from slots. Hollywood's payback percentage for November was 89.8%. Average gross win per machine was \$151.

As stated previously, starting next month, in addition to the win % by slot machine denomination, the Auditor's report will also be providing the win % for table game type. Additionally, the Board will be provided with any other information that is felt would be important to know and any other information that they would also like to have.

State Police Report – Det. Don Armstrong

Det. Armstrong reported that in December, he continued to work on licensing applicants. Since the last meeting, 29 new employees were licensed and 43 renewal licenses were investigated, leaving 28 pending. He has also assisted several agencies with their criminal investigations. Detectives contact him as part of their investigations because they believe that the suspects have been to the Maine casinos. He requests then a video review from Surveillance and they inform him if they have photos of what has been asked for as well. There were seven thefts and all the funds were recovered. Calls for service: Oxford and Bangor both had eight.

Unfinished Business – Dir. Champion

- A. Advance Deposit Wagering** – Presented comments to the Board from Churchill Downs Incorporated for provisional approval of the Board to present to legislature by the January 12, 2018 deadline. 1st draft will be concluded once the rules have been adopted. This RFP will not require a bidder conference. Dir. Champion must prepare a Basis Statement for each section that has had a suggested change to it.

Dir. Champion then reviewed each suggested change in the draft of the A.D.W. Rules with the Board as to accept or delete/not accept. Once the Basis statements are completed, it will go to the AG's office for form and legality. Then to the Secretary of State's Office before forwarding to the Legal/Veterans Affairs Legislative Committee. Once ratified by the VLA committee it will come back to the Board for final adoption and the RFP process will begin.

Motion to provisionally adopt the Rules as accepted: Alfred Skolfield

Seconded by Greg McNeal

Unanimous Vote

B. Request for Proposal Updates:

- Central System is being reviewed by a third-party consultant firm and is on track for publishing in January. Dir. Champion is meeting with them the first week of January, then it will go back to the Dept. of Purchasing.
- Financial Update – is back from the Dept. of Purchasing and Dir. Champion is reviewing the comments/changes received from them.

New Business – Dir. Champion

Dir. Champion addressed the Board: “As a prelude to the next agenda item, I wanted to bring to the Board’s attention that in many cases Boards or Commissions follow requests from the facilities they regulate without the consideration for the need for rule development or legislative approval. In this next case, that could have been a possibility. Gaming is time, how many times a button is hit, how many hands dealt, wheels turned, dice out per hour, etc.

Maine like all other states with casino gaming, licensees not only compete amongst themselves, but with surrounding state or regional jurisdictions. Some jurisdictions are becoming more and more competitive or lucrative with gaming offers. And while we regulate to ensure the integrity of the games offered to our citizens and our visitors to Maine, we should also be in a partnership to assist in the offering of new games and technology as it is ever evolving in the casino industry.

One area that did surface with the presentation today is electronic table games of which there are GLI standards 24 and 25. Other areas of attention could be drawn to server based gaming or the recent introduction of skill based games. Next month I will be starting rule development to update to Games of Chance and initiate Fantasy Sports. With your permission, I’d like to present rule development on casino gaming that currently involves six chapters and the MICS that would allow server based, electronic table and skill based games in Maine. This rule development will bring Maine up to date with new technology and standard internal control procedures.”

Oxford Casino personnel then did a presentation on Blazing 7’s Blackjack Progressive Live Table Game for the Board. This is a standard Blackjack game and combines all tables in the casino playing Blackjack with a running total. GLI has approved the backend technology for this. It’s always a \$5 bet, but Oxford could write rules to make it \$1 bet if they wished.

Dir. Champion had previously submitted the following to the Board:

A. Live Table Game Progressives

Supporting documentation has been previously sent to members and are numbered 1-7 in the top right hand corner.

- Marked number 1 is a letter received dated December 5, 2017 from Jacqueline Hunter, Director, Technical Compliance for Scientific Games requesting the approval of progressive side bets for “live” table games. These table game progressives are similar to slot machine progressives and are not related to actual electronic table games.
- Marked number 2 is pertinent to your decision today in that through my verification from Gaming Laboratory International GLI, an independent laboratory who is one of two that certify games and devices for approval in Maine. These associated equipment or devices for “live” table games fall within the adopted standards in Appendix B, GLI-12.
- Marked number 3 is a report issued by GLI on July 5, 2013 certifying the controller and manager system of these progressives through Shuffle Master at the time which was acquired by Scientific Games in 2012 by State of Maine Slot Machine Standards, 2004 edition referred by rule Chapter 20.
- Marked number 4 is a report from May 23, 2017 updating the certification of the controller and manager system to being a Bally Gaming, Inc. product and was approved specifically with the adopted standard GLI-12 Progressive Gaming Devices in Casinos.

- Marked number 5 is a report certifying the mathematical analysis of the specific game “Blazing 7’s” which is the particular game that will be played with the control and manager systems.
- Marked number 6 is the very basic rules of the game and layout.
- Marked number 7 is Oxford Casino’s rules of play for this progressive game.
- The Nexus Command Game Manager progressive product is approved in 41 US jurisdictions of both state and tribal jurisdictions to include Nevada, New Jersey, Pennsylvania, Missouri and Indiana to name a few.

Oxford is seeking approval for live table game progressives. They understand and agree that they will submit internal controls for the security and operation of the controller/manager systems at the January Board meeting. The initial testing of the system after installation will be completed by a GLI representative before placing into play. Dir. Champion would recommend this to be accepted. It has been approved in 41 jurisdictions of both state and tribal facilities.

Chair Doyle asked that we come back in the January meeting with the internal controls for approval and that the Board will review the entire package for consideration at that time.

Dropbox for the Board’s usage:

Greg McNeal addressed the Board to advise that Dropbox had changed their annual fee to something more manageable at \$750/year with shared storage. The Board agreed to go ahead and have Kathy set them up with a new Dropbox Business account.

Public Comment:

Chair Doyle welcomed audience members to today’s meeting in Oxford who attended and recognized and thanked Town Manager Butch Asselin for letting the Board use their facilities for their meeting.

Meeting ended at 10:10 a.m.

Next Meeting is Tuesday, January 16, 2018 at 9:00 a.m. at the Gambling Control Board Room located at the Dept. Of Public Safety, 45 Commerce Drive, Augusta.